

Message Text

LIMITED OFFICIAL USE

PAGE 01 SEOUL 00593 270429Z

63

ACTION EA-09

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

AID-05 EB-07 CIEP-01 TRSE-00 STR-04 OMB-01 CEA-01

ACDA-05 IO-11 COME-00 OES-03 IGA-02 ERDA-05 /101 W

----- 042730

R 270326Z JAN 76

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC 5157

INFO AMEMBASSY TOKYO

CINCPAC

LIMITED OFFICIAL USE SEOUL 0593

CINCPAC FOR POLAD

E.O. 11652: N/A

TAGS: MASS, KS

SUBJECT: PRESS REACTION TO ANNOUNCED END OF U.S. GRANT MILITARY

AID

1. LOCAL PRESS HAS GIVEN SUBSTANTIAL NEWS AND EDITORIAL COVERAGE TO PROPOSAL CONTAINED IN PRESIDENT FORD'S JANUARY 20 BUDGET STATEMENT TO END GRANT MATERIEL MILITARY ASSISTANCE TO ROK BEGINNING IN FY 1977.

2. FOLLOWING CLARIFICATIONS FROM WASHINGTON, MOFA, MDN AND EMBASSY OF ITS SURPRISED AND CONFUSED INITIAL REACTION, PRESS HAS IN GENERAL BEEN RECEPTIVE TO CONCEPT OF GRANT PHASE OUT AS BEING IN TUNE WITH ROK POLICY OF SELF-RELIANT DEFENSE POSTURE AND HAS FOLLOWED THEME IN PRESIDENT PARK'S STATEMENT DURING NEW YEAR'S VISIT TO DEFENSE MINISTRY THAT, "WE EXPECTED SUCH AN EVENT TO TAKE PLACE A FEW YEARS AGO AND HAVE TAKEN MEASURES TO MEET IT," (SEOUL 0585). AT SAME TIME PRESS HAS ALSO EXPRESSED CONCERNS ABOUT CONTINUING NEED

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 SEOUL 00593 270429Z

FOR ALTERNATIVE FORMS OF ASSISTANCE.

3. QUOTING INFORMED SOURCES CONSERVATIVE CHOSEN ILBO'S WASHINGTON CORRESPONDENT REPORTED THAT GRANT AID IS BEING TERMINATED IN ORDER TO REMOVE OBSTACLE TO CONGRESSIONAL APPROVAL OF NEEDED CREDIT SALES, WHICH ACCORDING TO WASHINGTON SOURCES WILL BE BETWEEN 250 AND 300 MILLION DOLLARS FOR FY '77. CHOSEN'S EDITORIAL, SAW NEED FOR KOREA TO STAND ON OWN FEET AND TERMED MOVE "BEGINNING OF NEW ERA," BUT WORRIED THAT GRANT PHASE-OUT CAME YEAR AHEAD OF SCHEDULE, THAT CONGRESS WOULD NOT COME UP WITH COMPENSATING FMS CREDIT, AND THAT NORTH COULD MISINTERPRET U.S. ACTION. CHOSEN ILBO NOTED ON OTHER HAND THAT TERMINATION GRANT AID COULD BE USEFUL TO ROK CONSIDERING INCONVENIENCE EXPERIENCED BECAUSE OF CONGRESSIONAL LINKAGE BETWEEN MILITARY AID AND HUMAN RIGHTS ISSUE.

4. WHILE THANKING U.S. FOR PAST MILITARY GRANT ASSISTANCE, POINTING OUT THAT LOSS OF GRANT ASSISTANCE WAS ANTICIPATED AND DIGESTABLE, AND TAKING PRIDE IN GREATER ROK SELF-SUFFICIENCY THAT SHIFT FROM GRANT TO CREDIT INDICATES, DONGA ILBO EDITORIAL STATED TERMINATION OF GRANT WOULD NONETHELESS HAVE SERIOUS IMPACT ON ROK. IN VIEW CONTINUING THREAT FROM NORTH AND INFANT STATE KOREAN INDUSTRIAL PROGRESS, TONGA THOUGHT TRANSITION TO CREDIT HAD TO BE HANDLED WITH GREAT CARE. KOREA'S LEADING INDEPENDENT HOPED THAT U.S. WOULD BE GENEROUS AND FLEXIBLE IN PROVIDING ALTERNATIVES BEFORE GRANT AID TERMINATED SO THAT EQUILIBRIUM BETWEEN SOUTH AND NORTH KOREA WOULD NOT BE BROKEN AND CALLED ON U.S. TO REALIZE THAT SELF-SUPPORTING NATIONAL DEFENSE NOT POSSIBLE WITHOUT SUPPORT OF DEVELOPED, I.S. U.S., ECONOMY. PAPER'S EDIT ALSO ASKED U.S. TO PROVIDE ECONOMIC ASSISTANCE IN PLACE OF MILITARY ASSISTANCE.

5. AFTER COVERING MANY OF ABOVE POINTS, CHUNGANG ILBO QUOTED WHITE HOUSE OFFICIAL AS SAYING HE NOT SURE IF TERMINATION GRANT WILL AUTOMATICALLY RESULT IN INCREASED CREDITS BUT SUCH SHIFT POSSIBLE. STATE DEPARTMENT OFFICIAL REPORTEDLY TOLD CHUNGANG THAT HE IS CONFIDENT CREDITS WILL INCREASE AFTER TERMINATION OF GRANT.

ERICSON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MILITARY ASSISTANCE, PRESS COMMENTS, POLICIES, GRANTS
Control Number: n/a
Copy: SINGLE
Draft Date: 27 JAN 1976
Decapton Date: 01 JAN 1960
Decapton Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976SEOUL00593
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760030-0256
From: SEOUL
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760118/aaaaaoxl.tel
Line Count: 98
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 28 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <28 MAY 2004 by ifshinsr>; APPROVED <02 JUN 2004 by morefirh>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PRESS REACTION TO ANNOUNCED END OF U.S. GRANT MILITARY AID
TAGS: MASS, KS
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006